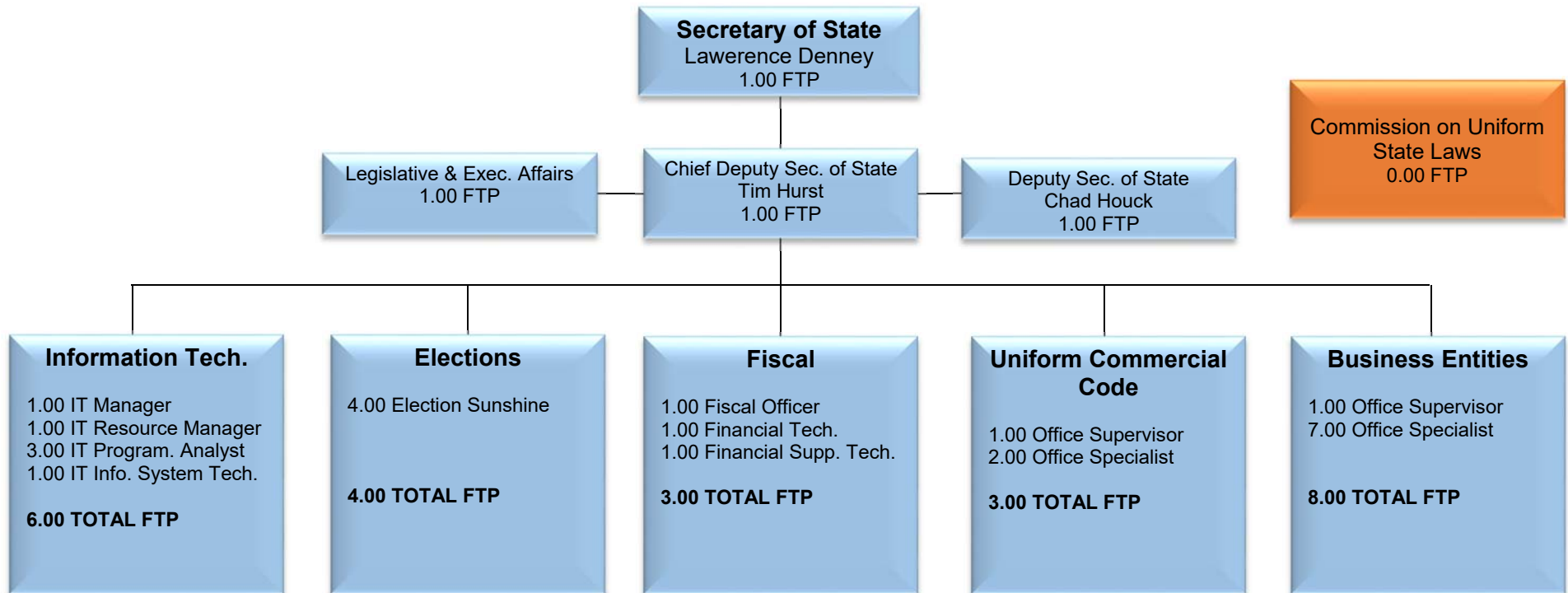


Secretary of State Agency Profile

Analyst: Smith

Organizational Chart



Current Authorized FTP: 29.00
Vacant FTP (as of 9/1/2017): 2.55
New Requested FTP: 2.00

Secretary of State

Analyst: Smith

FY 2017 Actual Expenditures by Division

		FTP	PC	OE	CO	T/B	LS	Total
0.30	FY 2017 Original Appropriation							
0001-00	Gen	27.00	1,960,200	1,215,400	0	0	0	3,175,600
Totals:		27.00	1,960,200	1,215,400	0	0	0	3,175,600
0.41	Prior Year Reappropriation							
0001-00	Gen	0.00	0	258,000	0	0	0	258,000
Totals:		0.00	0	258,000	0	0	0	258,000
0.43	Supplementals							
0001-00	Gen	1.00	39,400	2,182,800	0	0	0	2,222,200
Totals:		1.00	39,400	2,182,800	0	0	0	2,222,200
1.00	FY 2017 Total Appropriation							
0001-00	Gen	28.00	1,999,600	3,656,200	0	0	0	5,655,800
Totals:		28.00	1,999,600	3,656,200	0	0	0	5,655,800
1.21	Net Object Transfer							
0001-00	Gen	0.00	(81,100)	52,300	28,800	0	0	0
Totals:		0.00	(81,100)	52,300	28,800	0	0	0
1.61	Reverted Appropriation							
0001-00	Gen	0.00	(7,400)	(1,300)	0	0	0	(8,700)
Totals:		0.00	(7,400)	(1,300)	0	0	0	(8,700)
1.71	Current Year Reappropriation							
0001-00	Gen	0.00	0	(1,726,500)	0	0	0	(1,726,500)
Totals:		0.00	0	(1,726,500)	0	0	0	(1,726,500)
2.00	FY 2017 Actual Expenditures							
0001-00	Gen	28.00	1,911,100	1,980,700	28,800	0	0	3,920,600
	General		1,911,100	1,980,700	28,800	0	0	3,920,600
Totals:		28.00	1,911,100	1,980,700	28,800	0	0	3,920,600
Difference: Actual Expenditures minus Total Appropriation								
0001-00	Gen		(88,500)	(1,675,500)	28,800	0	0	(1,735,200)
	General		(4.4%)	(45.8%)	N/A	N/A	N/A	(30.7%)
Difference From Total Approp			(88,500)	(1,675,500)	28,800	0	0	(1,735,200)
Percent Diff From Total Approp			(4.4%)	(45.8%)	N/A	N/A	N/A	(30.7%)

Secretary of State

FY 2018 JFAC Action

	FTP	Gen	Ded	Fed	Total
FY 2017 Original Appropriation	27.00	3,175,600	0	0	3,175,600
Reappropriation	0.00	258,000	0	0	258,000
Supplementals					
1. Business Entities IT Upgrade	1.00	2,222,200	0	0	2,222,200
FY 2017 Total Appropriation	28.00	5,655,800	0	0	5,655,800
FY 2017 Estimated Expenditures	28.00	5,655,800	0	0	5,655,800
Removal of Onetime Expenditures	0.00	(2,801,600)	0	0	(2,801,600)
FY 2018 Base	28.00	2,854,200	0	0	2,854,200
Benefit Costs	0.00	22,500	0	0	22,500
Statewide Cost Allocation	0.00	(400)	0	0	(400)
Annualizations	0.00	60,000	0	0	60,000
Change in Employee Compensation	0.00	47,800	0	0	47,800
FY 2018 Program Maintenance	28.00	2,984,100	0	0	2,984,100
Line Items					
1. Business Entities IT Maintenance	0.00	18,500	0	0	18,500
2. IT Support Staff	1.00	92,000	0	0	92,000
3. Elections Software Upgrade	0.00	0	0	0	0
4. Publication of Idaho Blue Book	0.00	40,000	0	0	40,000
5. Conference Costs	0.00	8,600	0	0	8,600
Cybersecurity Insurance	0.00	77,600	0	0	77,600
FY 2018 Total	29.00	3,220,800	0	0	3,220,800
Chg from FY 2017 Orig Approp.	2.00	45,200	0	0	45,200
% Chg from FY 2017 Orig Approp.	7.4%	1.4%			1.4%

Secretary of State

Analyst: Smith

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY PROGRAM					
Administration	5,608,100	3,872,900	3,171,200	5,505,900	5,101,400
Commission on Uniform State Laws	47,700	47,700	49,600	48,600	48,600
Total:	5,655,800	3,920,600	3,220,800	5,554,500	5,150,000
BY FUND CATEGORY					
General	5,655,800	3,920,600	3,220,800	5,554,500	5,150,000
Percent Change:		(30.7%)	(17.8%)	72.5%	59.9%
BY OBJECT OF EXPENDITURE					
Personnel Costs	1,999,600	1,911,100	2,167,800	2,308,900	2,274,400
Operating Expenditures	3,656,200	1,980,700	1,053,000	3,245,600	2,875,600
Capital Outlay	0	28,800	0	0	0
Total:	5,655,800	3,920,600	3,220,800	5,554,500	5,150,000
Full-Time Positions (FTP)	28.00	28.00	29.00	31.00	30.00

Department Description

The Secretary of State is one of seven statewide elected officials in Idaho. The officeholder's constitutional and statutory responsibilities include membership on the State Board of Land Commissioners and the Board of Examiners. There are two budgeted programs and one continuously appropriated program in the Office of the Secretary of State:

ADMINISTRATION

The Administration Program performs all the constitutional and statutory functions of the Office of the Secretary of State, including registering the official acts of the Legislature and the Governor; administering and certifying elections; maintaining a registry of tort claims, extraditions, deeds, official oaths, and gubernatorial appointments; administering the Sunshine Law; and maintaining and operating the Centralized Uniform Commercial Code as it relates to state, commercial, and farm product filings. [Statutory Authority: Section 67-901, Idaho Code]

COMMISSION ON UNIFORM STATE LAWS

The Commission on Uniform State Laws is composed of four members who are appointed by the Governor. The commission studies proposed uniform laws and drafts legislation for consideration by the Idaho Legislature where uniformity among state laws is desirable. [Statutory Authority: Section 67-1701, Idaho Code]

IDAHO CODE COMMISSION

The budget for the Idaho Code Commission is continuously appropriated. The three-member commission, of which the Secretary of State is the ex-officio secretary, is responsible for compiling the Idaho Code annually. [Statutory Authority: Section 73-201, Idaho Code]

Secretary of State

Comparative Summary

Analyst: Smith

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	29.00	3,220,800	3,220,800	29.00	3,220,800	3,220,800
Reappropriation	0.00	1,726,500	1,726,500	0.00	1,726,500	1,726,500
1. Increase Operating Expenditures	0.00	180,000	180,000	0.00	0	0
FY 2018 Total Appropriation	29.00	5,127,300	5,127,300	29.00	4,947,300	4,947,300
Removal of Onetime Expenditures	0.00	(1,775,100)	(1,775,100)	0.00	(1,775,100)	(1,775,100)
FY 2019 Base	29.00	3,352,200	3,352,200	29.00	3,172,200	3,172,200
Benefit Costs	0.00	(44,800)	(44,800)	0.00	(40,700)	(40,700)
Statewide Cost Allocation	0.00	5,600	5,600	0.00	5,600	5,600
Annualizations	0.00	1,000	1,000	0.00	1,000	1,000
Change in Employee Compensation	0.00	16,800	16,800	0.00	50,100	50,100
FY 2019 Program Maintenance	29.00	3,330,800	3,330,800	29.00	3,188,200	3,188,200
1. Business Entities IT Maintenance	0.00	208,000	208,000	0.00	208,000	208,000
2. Elections System Upgrade	0.00	1,290,000	1,290,000	0.00	1,290,000	1,290,000
3. Additional Online Services	0.00	250,000	250,000	0.00	60,000	60,000
4. Cybersecurity Analyst FTP	1.00	96,200	96,200	1.00	96,200	96,200
5. Communications FTP	1.00	71,900	71,900	0.00	0	0
6. Elections Costs	0.00	300,000	300,000	0.00	300,000	300,000
7. Conference Costs	0.00	7,600	7,600	0.00	7,600	7,600
FY 2019 Total	31.00	5,554,500	5,554,500	30.00	5,150,000	5,150,000
Change from Original Appropriation	2.00	2,333,700	2,333,700	1.00	1,929,200	1,929,200
% Change from Original Appropriation		72.5%	72.5%		59.9%	59.9%

Secretary of State

Analyst: Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation					
	29.00	3,220,800	0	0	3,220,800

Reappropriation

Secretary of State

Pursuant to S1020 of 2017, the Secretary of State received a supplemental appropriation of \$2,222,200 to upgrade its business entities IT system. S1137 of 2017 authorized the agency to reappropriate or carryover its unencumbered and unspent supplemental appropriation from FY 2017 into FY 2018. Of the total amount, \$1,726,500 in operating expenditures was reappropriated for FY 2018. Carryover required legislative approval and is removed as a onetime expenditure before calculating the FY 2019 Base.

Agency Request	0.00	1,726,500	0	0	1,726,500
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>1,726,500</i>	<i>0</i>	<i>0</i>	<i>1,726,500</i>

1. Increase Operating Expenditures

Secretary of State

The Secretary of State requests a supplemental appropriation of \$180,000 in ongoing operating expenditures to cover a projected shortfall in its FY 2018 operating budget based on FY 2017 actual expenditures and increased costs from the recent filling of vacant positions. In prior years, it has been typical for the Secretary of State to have two to three vacant positions resulting in excess personnel budget, which has been transferred to its operating budget to cover additional operating expenditures. In FY 2018, all vacant positions have been filled. In addition, the Secretary of State has historically had continuously appropriated federal funds from the Democracy Fund created by the Help America Vote Act of 2002 that were available to cover portions of election-related expenses. These funds are no longer available.

The Secretary's office reports that during the years that federal funds were able to absorb a portion of operating expenditures, operational cost increases were not requested from the General Fund. For example, \$217,000 was spent on postage in FY 2017 while only \$100,000 had been internally budgeted for that purpose from the Secretary's General Fund appropriation for operating expenditures. Based on the agency's analysis of its FY 2017 actual expenditures and FY 2018 projected costs, the agency anticipates expenditures in the following cost categories to exceed the current operating budget: \$120,500 for communications (including postage), \$9,500 for employee development and training, \$15,000 for printing, \$5,000 for computer services, \$15,000 for staff travel, and \$15,000 for office supplies, for a total of \$180,000.

Agency Request	0.00	180,000	0	0	180,000
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Not recommended by the Governor.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
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FY 2018 Total Appropriation

Agency Request	29.00	5,127,300	0	0	5,127,300
<i>Governor's Recommendation</i>	<i>29.00</i>	<i>4,947,300</i>	<i>0</i>	<i>0</i>	<i>4,947,300</i>

Removal of Onetime Expenditures

This decision unit removes amounts appropriated in FY 2018 for a onetime line item (\$40,000 for the publication of the Idaho Blue Book), and authorized carryover of \$1,726,500 for the business entities IT system upgrade.

Agency Request	0.00	(1,775,100)	0	0	(1,775,100)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(1,775,100)</i>	<i>0</i>	<i>0</i>	<i>(1,775,100)</i>

FY 2019 Base

Agency Request	29.00	3,352,200	0	0	3,352,200
<i>Governor's Recommendation</i>	<i>29.00</i>	<i>3,172,200</i>	<i>0</i>	<i>0</i>	<i>3,172,200</i>

Secretary of State

Analyst: Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	(44,800)	0	0	(44,800)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

Governor's Recommendation	0.00	(40,700)	0	0	(40,700)
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Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management costs will increase by \$5,200, State Controller fees will increase by \$500, and State Treasurer fees will decrease by \$100, for a net increase of \$5,600.

Agency Request	0.00	5,600	0	0	5,600
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Governor's Recommendation	0.00	5,600	0	0	5,600
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Annualizations

Funding is requested for the constitutional officers' pay increase authorized by the 2014 Legislature in Session Laws, Chapter 356. The Secretary of State's pay increased on January 1, 2018 by 1.5%, from \$105,771 to \$107,357 annually, and this adjustment funds the increase from July 1, 2018 through December 31, 2018.

Agency Request	0.00	1,000	0	0	1,000
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Governor's Recommendation	0.00	1,000	0	0	1,000
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Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	16,800	0	0	16,800
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The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.

Governor's Recommendation	0.00	50,100	0	0	50,100
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FY 2019 Program Maintenance

Agency Request	29.00	3,330,800	0	0	3,330,800
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Governor's Recommendation	29.00	3,188,200	0	0	3,188,200
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1. Business Entities IT Maintenance

Secretary of State

This request includes \$208,000 for ongoing operating expenditures from the General Fund for the maintenance and operating costs associated with the Business Entities IT system, which was funded by a supplemental appropriation of \$2,222,200 (\$39,400 ongoing, and \$2,182,800 onetime) in FY 2017. At that time, the annual ongoing portion of the costs for the new system were estimated to be: \$84,200 for system maintenance, \$71,200 for web hosting, \$52,800 for infrastructure management, and \$6,500 for licensing, for a total of \$214,700. In FY 2018, only \$18,500 of this amount was appropriated (ongoing) for maintenance since the upgrade was in process and not expected to be completed until midway through the year. The remaining \$196,200 was expected to be included as an annualized cost in the Secretary of State's FY 2019 budget. The agency now requests \$208,000 for additional ongoing maintenance in FY 2019 due to an increase of approximately 6% in contracted rates.

Agency Request	0.00	208,000	0	0	208,000
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Governor's Recommendation	0.00	208,000	0	0	208,000
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Secretary of State

Analyst: Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
2. Elections System Upgrade					Secretary of State
<p>The Secretary of State requests \$1,290,000 (\$1,200,000 onetime; \$90,000 ongoing) from the General Fund to upgrade the agency's elections system. This request is phase one of a system upgrade that is estimated to cost \$4,000,000-\$5,000,000 over a five-year period. Pursuant to S1418 of 2016, the Secretary of State was appropriated \$258,000 in onetime operating expenditures from the General Fund in FY 2016 to implement an online voter registration (OVR) system, as authorized by S1297 of 2016. Implementation of the system was completed in December 2017. With the implementation of OVR, the agency is exploring options to modernize other functions of its elections division by replacing its existing software. The first three components proposed for phase one are campaign finance reporting, lobbyist registration, and overall elections management. According to the agency, the existing software was developed in-house, whereas the new systems would be configurable, off-the-shelf products that would decrease turnaround time on reporting and data entry, while increasing online access and transparency for Idaho residents. Additionally, the 2017 Campaign Finance Reform Legislative Work Group requested that the Secretary of State research the cost of modernizing the current online systems for campaign finance reporting and lobbyist registration, and to include it in the agency's FY 2019 budget request. Of the total amount requested in FY 2019 for phase one, \$1,200,000 is onetime for implementation of the three additional modules for campaign finance reporting (\$400,000), lobbyist registration (\$400,000), and overall elections management (\$400,000), and \$90,000 is ongoing for hosting, management, maintenance, and security.</p> <p>It is estimated that the Secretary of State will request an additional \$800,000 onetime from the General Fund in FY 2020 for phase two of the system implementation to continue development of additional functions. The system functions may vary depending on which vendor is selected, but are expected to include: GIS mapping, voting district management, election set-up, candidate management and registration, election night reporting, polling place and worker management, elections history tracking, conflict of interest disclosure, absentee ballot management, and petition management. According to the agency, the proposed changes have been requested by county clerks throughout the state to lessen administrative burden and costs associated with elections. In FY 2020 and beyond, the Secretary of State proposes to fund the remaining \$2,000,000-\$3,000,000 cost of the system by utilizing the existing \$627,000 in the agency's ongoing base appropriation for maintenance of the current elections system.</p>					
Agency Request	0.00	1,290,000	0	0	1,290,000
<i>The Governor recommends reappropriation authority for the agency to carryover its unencumbered and unspent appropriation balances for its elections system upgrade from FY 2019 into FY 2020.</i>					
Governor's Recommendation	0.00	1,290,000	0	0	1,290,000
3. Additional Online Services					Secretary of State
<p>The Secretary of State requests \$250,000 ongoing from the General Fund for operating expenditures to expand services and to provide training materials and communication to both internal staff and the public regarding new online services. These services include: online voter registration, online business registrations and amendments, will registry, health care directives, and other services.</p> <p>Specifically, the request includes: \$60,000 for additional credit card fees for the increased volume of credit card processing with the launch of online corporate division services; \$80,000 for a communications budget for training materials, media production, distribution costs, and associated costs to increase public awareness of new functionalities offered by the corporate and elections divisions; \$20,600 in personal computer hardware and software to guarantee a five-year cycle on desktop equipment for the full office (previously handled as onetime expenses); \$15,400 for repair and maintenance services; \$9,000 in employee training and development funds; \$3,000 to the Small Business Development Center annually for IdahoBizHelp.gov services; \$38,500 for temporary personnel, contract, and/or professional advisory services; \$4,500 for dues, memberships, fees, and subscriptions; \$10,000 for employee travel costs; \$3,500 for phone expenses (cellular, long distance); and \$5,500 for printing costs, for a total of \$250,000.</p>					
Agency Request	0.00	250,000	0	0	250,000
<i>The Governor recommends funding for increased credit card fees due to the volume of credit card processing from the launch of online corporate division services. The Governor does not recommend funding for other operating expenditures.</i>					
Governor's Recommendation	0.00	60,000	0	0	60,000

Secretary of State

Analyst: Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
4. Cybersecurity Analyst FTP					Secretary of State
This request includes 1.00 FTP and \$96,200 from the General Fund for ongoing personnel costs to hire a senior cybersecurity analyst. According to the agency, elections security concerns and the threat of cyber attacks have increased following the 2016 presidential election. The individual in this position would be tasked with developing, implementing, administering, and maintaining cybersecurity specific policies for ensuring the integrity, confidentiality, and availability of agency data, including critical infrastructure data for both the elections and corporate divisions within the Secretary of State's Office. This individual would obtain a high level of national security clearance to gather and act upon cyber-related intelligence in conjunction with official federal agencies such as the Federal Bureau of Investigation and Department of Homeland Security.					
Agency Request	1.00	96,200	0	0	96,200
Governor's Recommendation	1.00	96,200	0	0	96,200
5. Communications FTP					Secretary of State
This request includes 1.00 FTP and \$71,900 from the General Fund for ongoing personnel costs to hire a communications coordinator/analyst. The individual in this position would be tasked with implementing the Secretary of State's public education, media relations, and communications goals. The position would address public concerns about elections security which, according to the agency, have increased following the 2016 presidential election. In addition, the position would manage consumer and corporate education regarding the new services offered by the agency's corporate division.					
Agency Request	1.00	71,900	0	0	71,900
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
6. Elections Costs					Secretary of State
The Secretary of State requests \$300,000 onetime from the General Fund to pay for elections costs. Section 34-1812C, Idaho Code, requires the printing and mailing of initiatives and referendums to every household; Section 67-913, Idaho Code, requires that all proposed constitutional amendments be published in every newspaper in the state three times; and Section 67-453, Idaho Code, requires that all proposed constitutional amendments be mailed to every household. Estimated costs are \$300,000 in operating expenditures. This was the amount appropriated to the Secretary of State for elections in FY 2015 and FY					
Agency Request	0.00	300,000	0	0	300,000
Governor's Recommendation	0.00	300,000	0	0	300,000
7. Conference Costs					Commission on Uniform State Laws
The Secretary of State requests \$7,600 in onetime operating expenditures from the General Fund for the four members of the Commission on Uniform State Laws to attend the annual National Conference of Commissioners on Uniform State Laws, which will be held in Louisville, KY. Total costs of attendance include: \$2,400 for registration, \$2,000 for meals, \$4,700 for hotel, \$2,800 for airfare, \$400 for ground transportation, \$36,200 for annual dues, and \$100 for workers compensation, for a total of \$48,600. The commission has a base budget appropriation of \$41,000 for annual conference costs, so this request reflects the additional \$7,600 to meet the total projected costs to attend this year's conference.					
Agency Request	0.00	7,600	0	0	7,600
Governor's Recommendation	0.00	7,600	0	0	7,600
FY 2019 Total					
Agency Request	31.00	5,554,500	0	0	5,554,500
Governor's Recommendation	30.00	5,150,000	0	0	5,150,000
Agency Request					
Change from Original App	2.00	2,333,700	0	0	2,333,700
% Change from Original App	6.9%	72.5%			72.5%
<i>Governor's Recommendation</i>					
Change from Original App	1.00	1,929,200	0	0	1,929,200
% Change from Original App	3.4%	59.9%			59.9%